



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Friday Evening, September 21, 2007

Major Developments

Update: 814,578 b/d and 2.371 Bcf Shut Due to Tropical Depression in Gulf of Mexico: Prices Ease as Threat Diminishes

According to a report released by the U.S. Mineral Management Service, 814,578 b/d of crude and 2.371 Bcf/d of natural gas were shut as a precaution for the tropical depression developing in the Gulf of Mexico. The total outages amount to 62.7 percent of crude and 30.8 percent of natural gas production in the Gulf. The National Hurricane Center released a Tropical Storm Warning for Gulf Coast states and predicted the storm would make landfall on September 21-22. Total and Transocean released plans to redeploy evacuated workers to platforms as soon as Sunday, conditions permitting. Apache, Anadarko, BP, Chevron, ConocoPhillips, ExxonMobil, Marathon, Murphy, Shell, Total, and Transocean all reported production decreases and worker evacuations. Despite platform closures, oil futures eased on news that the storm posed less of a threat than earlier believed to be the case.

<http://www.mms.gov/ooc/press/2007/press0921.htm>

<http://www.nhc.noaa.gov/text/refresh/MIATCPAT5+shtml/211746.shtml?>

Reuters, 11:41 September 21, 2007

Reuters, 12:00 September 21, 2007

Reuters, 12:10 September 21, 2007

Reuters, 13:34 September 21, 2007

Electricity

Storms Knock Out Power to 32,200 Customers in Minnesota

9,000 Customers Still Without Power in the Twin Cities Area as of 10:30 PM September 19

Heavy rains, hail, funnel clouds, fallen trees from storms that swept through Minnesota knocking out power to about 32,200 customers in the Twin Cities and St Cloud areas of the state on September 19. By late evening on the 19th, power had been restored to all but about 9,000 customers.

http://www.kare11.com/news/ts_article.aspx?storyid=265464

<http://www.myfoxtwincities.com/myfox/pages/News/Detail?contentId=4415867&version=15&locale=EN-US&layoutCode=TSTY&pageId=3.2.1>

FERC Opens New Office Unit: Office of Electric Reliability

The new office will focus on developing standards for national electric reliability. Employees will review assessments of the power system for each region and implement standards for users, owners, and operators.

<http://www.forbes.com/feeds/ap/2007/09/20/ap4141026.html>

Alert at Constellation's 1,148 MW Nine Mile Nuke Unit 2 in New Jersey Cancelled after Seven Hours September 19

The alert lasting 7 hours was issued at 3:04 p.m. local time when carbon dioxide discharged in a switchgear room. Although the carbon dioxide is used as a fire suppressant, there was no report of fire. The unit continued to operate and the cause of the discharge is being investigated.

http://www.wstm.com/Global/story.asp?S=7100391&nav=menu133_2_1

OPG's 535 MW Lennox Oil and Gas-fired Unit 1 Shut in Ontario September 21

The company reported that the unit was being taken down for short-term work. No specific restart date was provided.

Reuters, 09:41 September 21, 2007

Update: Progress Energy's 938 MW Brunswick Nuke Unit 1 in North Carolina Restarts September 21

The unit was restarted following repairs and cleaning of the facility's service water system.
Bloomberg News, 09:43 September 21, 2007

Silicon Shortages Hurt Solar Panel Manufacturers

Solar panel makers face higher costs as supplies of refined silicon cannot keep pace with burgeoning demand.
Bloomberg News, 02:02 September 21, 2007

OPG's 881 MW Darlington Nuke Unit 2 Shut in Ontario September 21

Reuters, 08:36 September 21, 2007

Calpine's 750 MW Pastoria Gas-fired Unit Shut in California September 20

Reuters, 08:36 September 21, 2007

Petroleum

Update: Expansion of Motiva's Port Arthur Refinery to Double Capacity by 2010

Shell announced plans for the expansion of the Motiva Port Arthur refinery. The Motiva refinery is part of a joint venture with Saudi Arabia. The partners plan to expand the capacity of the refinery from 325,000 b/d to 600,000 b/d. On completion of the work in 2010, the refinery will be the largest in the U.S.

http://www.shell.com/home/content/media-en/news_and_library/press_releases/2007/fid_motiva_port_arthur_expansion_21092007.html
<http://www.bloomberg.com/apps/news?pid=20601087&sid=aMYbULHC5qZQ&refer=home>

Bloomberg News, 11:42 September 21, 2007

Update: Motiva's 285,000 b/d Port Arthur, Texas Refinery to be Fully Operational September 24

Motiva's Chief Executive Officer told reporters that the refinery would be running at full capacity by Monday September 24. The facility shut down due to a power outage caused by Hurricane Humberto.

Reuters, 10:06 September 21, 2007

Update: Holly's 26,000 b/d Woods Cross, Utah Refinery Functioning Normally

The unit completed restart procedures and is reported as operating normally after being shut down by a power disruption on September 18.

Bloomberg News, 16:13 September 20, 2007

Update: ConocoPhillips's 146,000 b/d Borger, Texas Refinery Operating Normally September 21

The unit reported that it was "operating normally" following repairs to components of its fluid catalytic cracking unit.

Bloomberg News, 11:38 September 21, 2007

Natural Gas

Update: El Paso Reports Cheyenne Plains Compressor Station Remains at About 50 Percent of Capacity September 20

According to a company spokesperson, the station remains limited to flowing 390 MMcf/d, down from its normal capacity of 780 MMcf/d. The unit has been undergoing repairs after being damaged by a fire on September 16. El Paso reports that despite the problem at the station, shipments on the pipeline are unaffected; gas is being rerouted around the damaged station.

Reuters, 17:37 September 20, 2007

<http://ebb.cigco.com/ebbCIG/ebbmain.asp?sPipelineCode=CP>

ANR Pipeline Holds Open Season for 35 Bcf of Storage and Transportation Services

NGI's Daily Gas Price Index September 21, 2007

<http://intelligencepress.com/>

Shell Sees Signs of Easing of Cost Constraints for LNG Facilities

Shell, which currently has six LNG projects under construction around the world, sees indications that cost constraints that have slowed project development are easing. In an interview, the executive director of Shell Gas & Power cited technological developments such as floating LNG plants, as helping to overcome cost hurdles and to stimulate engineering contractors to seek new work in LNG project design for the first time in two years.

<http://www.bloomberg.com/apps/news?pid=20601081&sid=a1GrvWwTEM4M&refer=australia>

Other News

Hurricane Ivo Moving toward Mexico's Pacific Coast, Expected to Weaken to Tropical Storm before Making Landfall

Reuters, 11:56 September 21, 2007

Energy Prices

U.S. Oil and Gas Prices			
September 21, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	83.38	76.90	61.30
NATURAL GAS Henry Hub \$/Million Btu	5.96	6.02	4.65

Source: Reuters

Energy Notes

Progress Energy Proposes to Double Size of Harris Lake to Cool Proposed Expansion at Shearon Harris Nuclear Facility in North Carolina

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5CfjpqomoUUfb%27%40%3E%20bfem%5Ev>

Gulf Western Petroleum's New Shamrock Wells in Texas Have Estimated 500 MMcf to 1 Bcf Reserves

http://www.rigzone.com/news/article.asp?a_id=50440

Global Oil Demand Ahead of Supply in August, Counter to Seasonal Trend

http://www.energyintel.com/DocumentDetail.asp?Try=Yes&document_id=212376&publication_id=2

Update: NEB Approves TransCanada Initial Plan for 435,000 b/d Keystone Crude Pipeline Project from Alberta to U.S. Midwest, TransCanada Expected to File on Expanded Plan for 590,000 b/d Capacity during Fourth Quarter 2007

<http://biz.yahoo.com/iw/070921/0305413.html>

<http://www.reuters.com/article/governmentFilingsNews/idUSN2045505520070920>

Chevron Secures Backing from Kazakh President for Tengiz Oil Project

Reuters, 08:28 September 21, 2007

Azerbaijan to Pump 20 Percent More Oil Through BP's Baku-Tbilisi-Ceyhan Pipeline in 2008

Reuters, 06:33 September 21, 2007

Increased Ethanol Consumption Could Strain Water Supplies in Great Plains-Report

<http://www.environmentaldefense.org/page.cfm?tagID=1550>

http://www.environmentaldefense.org/documents/7011_Potential%20Impacts%20of%20Biofuels%20Expansion.pdf

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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